



CLARK COUNTY HOUSING OPTIONS STUDY AND ACTION PLAN

Project Advisory Group Meeting #5

June 22, 2021 – 3PM to 5PM

SUMMARY

PAG Members: Bryan Snodgrass, Eric Scott, Heidi Rosenberg, Julie Olson, Kate Budd, Julie Getchell, Martha Maier, Ron Barca, Sierk Braam, Victor Caesar, Phil Wuest.

County Staff: Jacqueline Kamp, Jenna Kay.

Consultants: Steve Faust (3J Consulting); Elizabeth Decker (JET Planning).

Steve Faust welcomed PAG members and guests to the fifth PAG meeting and reviewed the agenda.

Housing Action Plan – Proposed Objectives

Steve presented a revised version of the proposed objectives. The primary change from the previous version is that one strategy identifying priority income levels was divided into two categories; one for middle income households and the other for low, very low, and extremely low-income households. This change was made based on PAG comments that strategies to encourage housing development are different based on income level. Steve also shared that in the community questionnaire, at least 59% of respondents supported or strongly supported each of the strategies.

1. Encourage housing development that meets the needs of middle-income households who are not being served in the current housing market.
2. Develop strategies to support the development of housing that is affordable to low, very low, and extremely low-income households.
3. Encourage diversity in housing types and tenure (rental/ownership), including expanding middle housing options and increasing multifamily feasibility.
4. Encourage the creation of a broad range of housing sizes to match the needs of all types of households (families, singles, students, older adults, disabled, or other unique population groups), with a focus on 1-2 person households not being served in the current housing market.
5. Guide development of diverse housing options to areas with access to transportation corridors and transit, commercial services, schools and parks, and conversely, support development of those same amenities in areas where more housing is added.



PAG members did not have any additional comments on the objectives.

Housing Action Plan - Overview

Steve presented the PAG schedule and workflow for the remainder of the project. The PAG will review possible strategies at the June, July, and August meetings. The project team will present the results of these discussions to Planning Commission and County Council in September and conduct a second round of community engagement. Using the guidance from the PAG, County staff, and the community, the project team will prepare a list of draft strategies for the PAG to discuss in October. In November, the project team will present the draft strategies and PAG comments to Planning Commission and County Council and conduct a third round of community engagement. The PAG will meet a final time in December to discuss the final draft strategies as well as implementation and monitoring.

Steve presented the Housing Action Plan Strategies Framework document, which is based on the framework provided by the Washington Department of Commerce, but tailored to meet the needs of this project. The framework includes nine categories of strategies. Within each category is a list of strategy “types”. The Strategies Framework shows which objectives are met by each strategy type. At this meeting, the PAG will be discussing Category A: Expand Zoning Permissions for Housing Development, and Category D: Affordable Housing Incentives. The project team presented the strategy types and proposed strategies within these two categories. Each proposed strategy includes preliminary information on timeline for implementation, cost, and administrative effort.

A. Expand Zoning Permissions for Housing Development

- A-1. Reduce minimum lot sizes
- A-2. Require a minimum density
- A-3. Increase or remove density limits
- A-4. Upzone
- A-5. Increase allowed housing types in existing and/or proposed zones
- A-6. Offer density and/or height incentives for desired unit types
- A-7. Expand residential uses in commercial zones

D. Affordable Housing Incentives

- D-1. Multifamily tax exemption
- D-2. Density bonuses for affordable housing
- D-3. Alternative development standards for affordable housing
- D-4. Fee waivers for affordable housing
- D-5. Other ideas

PAG members discussed the proposed strategies in two discussion groups. PAG members were asked to discuss the following questions:

1. Which of the strategies presented should be priorities for this project? Which are important, but are longer term? Which should be removed from consideration?
2. Are we missing any strategies within these categories?

Group #1

A. Expand Zoning Permissions for Housing Development

A-1. Reduce Minimum Lot Sizes

- Regarding A-1.5: I like this idea, specifically for townhomes and smaller units, but they need to be in the right place and include a buffering of small to large lot sizes. I think we are underrepresented in terms of duplexes and townhomes so this is a good path forward.
- Regarding A-1.5: I like this option too and it is critical where they go. These are things we are pursuing in Vancouver. Some might be more palatable with some softening of measures, such as beveling of lots that immediately abut existing homes and have to be of a different size. You also could establish a newly created version of R1-2.5 where lots have to be a half-acre or acre so that nobody who is next to a single-family lot has to worry about someone moving in next to them on an undersized lot.

A-2. Require a Minimum Density

- Not discussed.

A-3. Increase or Remove Density Limits

- Not discussed.

A-4. Upzone

- Upzoning might be an alternative strategy to minimum and maximum strategies.

A-5. Increase Allowed Housing Types in Existing and/or Proposed Zones (cottages; 2, 3, 4- plexes; townhouses; courtyard apartments, micro-housing)

- Not discussed.

A-6. Offer Density and/or Height Incentives for Desired Unit Types

- Not discussed.

A-7. Expand Residential Uses in Commercial Zones

- Not discussed.

D. Affordable Housing Incentives

D-1. Multifamily Tax Exemption

- Council will continue to advocate for this legislative change, but it may be a year or two away.
- Hope that Vancouver can support the County in its efforts to access Multifamily Tax Exemption (MFTE). City Council is currently revisiting its program:
 - A large number of original MFTE applications were at higher than 80% AMI. That has its merits, but doesn't get to affordable housing, so I like the 50% to 80% AMI target.
 - AMI is determined regionally, so Vancouver's inclusion in the Portland region makes the income levels rise, which doesn't reflect incomes in Clark County as well.

D-2. Density Bonuses for Affordable Housing

- Density bonuses should vary based on the income level they serve. There is greater benefit at 40% or 60% than at 80%.
- Vancouver does not do much with density bonuses. Density bonuses are a recommendation from the City's Affordable Housing Task Force. Vancouver does have a procedural bonus – if a proposed rezone meets the criteria for a rezone and the standard of 40% of the units at 60% AMI, the City will serve as the proponent.
- The Council for the Homeless Housing Initiative has used this before and one of the strengths is that it allows for the use of nontraditional lots to create affordable housing. Lots that a multifamily developer may not be interested in may be more desirable for a nonprofit developer.
- Regarding D-2.2: Habitat for Humanity, for example, is working with recently purchased church-owned property and there is value in making it worth their while to develop the property into housing that serves low income people. That is usually the intent of the religious organizations when working with a non-profit.
- 2.2 would be easier to implement in the short term. I would prioritize 2.2, 2.1, 2.3.
- I would recommend 2.3 in that it's happening now and would allow us to provide the greatest flexibility to religious organization already in the process of creating affordable housing.
- Agree that 2.2 would be easy to do and we can use the model from other locations to implement 2.3.

D-3. Alternative Development Standards for Affordable Housing

- Parking is a potential volatile strategy having lived in dense cities where new development did not include parking for all of the new residents. That makes these developments less appealing for the people that already live there. People are passionate about parking.
- Agree on the parking discussion. Any opportunity to lessen design standards in the Highway 99 overlay, we definitely should look at that. That provides access to transportation and other resources. In an attempt to do something nice for that area, it has become too overburdening for developers.
- For about one year, Vancouver has had an allowance to build affordable housing in commercial areas without the commercial requirement. The number of affordable housing developers looking to use this provision is very small relative to the overall supply of commercial land.
- Parking is a controversial issue. We've heard from market developers that Vancouver's requirement for parking is too high. Recent legislation for cities has a requirement for specialty housing, including affordable housing near transit, to go to 0.75 spaces per unit. I don't want to lose D-3.1 from the discussion. Affordable housing projects tend to produce fewer trips per unit than market rate.
- 3.2 is a difficult strategy for this Council and would compete with our economic development goals. The current provision requires residential to be above commercial.
- I would like to see 3.1 remain intact. We have studio units for extremely low-income residents who do not have cars, so we would seek out a reduction in parking. There are considerations when crafting a parking reduction strategy. The size of units is one factor.

D-4. Fee Waivers for Affordable Housing

- The County has done impact fee reductions, whether impact fees or permit fees. We should have that conversation. When we talk about missing middle and affordable housing, the conversation immediately goes to subsidized housing and then a discussion about whether we want those units in our community. We need to support housing affordability in all areas. Definitely an opportunity to look at fees and reducing the cost of construction and tie it to affordable housing.
- One idea is for all ranges of market and affordable housing, calibrating the impact fees by number of units or size so it covers all housing and does not single out affordable housing, but would result in a reduction of fees for affordable housing.

D-5. Other Ideas

- I don't think mandatory inclusionary zoning would be palatable from a political perspective. We should pursue a voluntary strategy.
- Not aware of a home owner rental incentive program that exists. This concept has come up in various ways. There is a shared housing program through Faith Partners for Housing that is moving toward reality soon. That might be an opportunity to try this out and see what might work and what would be the most simple way to provide that incentive. It could be a program or a property tax incentive. It's an innovative idea that can work hand in hand with a program that already exists in the community.
- In a perfect world we would consider and implement all of these strategies, but when I think about the scope of the problem to be solved, I'm concerned that strategies like 5.2 are not going to get us to where we need to be in terms of providing housing for people in the county who need it. Remove the mandatory inclusionary zoning strategy (5.3). For 5.1, it seems we are on the cusp of implementing a variety of affordable housing strategies and I'm in support of any tools we can use to educate developers and the community about the incentives and strategies we might adopt to address housing issues in the County.

Group #2

A. Expand Zoning Permissions for Housing Development

A-1. Reduce Minimum Lot Sizes

- Easier to change code for existing zones than to change zoning, so prioritize code changes – prioritize all code changes.
- Go with prioritizing A1-1 through A1-4, not interested to create R1-2.5 zone at this time.

A-2. Require a Minimum Density

- Not discussed.

A-3. Increase or Remove Density Limits

- We are going to find ourselves in a position where parking becomes one of the perks for getting increased density. Our footprint doesn't work out well with lot sizes in the medium- and high-density areas because parking requirements are so grand.
- Similar to A-1, focus on amending density within existing zones to correlate with changes to minimum lot sizes.

A-4. Upzone

- If we exercise A-2 and A-3 effectively, it should take out the need for upzoning. Depending on which lever we choose to exercise, one is going to go through a completely different type of public process than the other. One will be an administrative/staff determination and the other a County Council determination. In light of public comments about density, and what some people term as quality of life, it's about protecting their compatibility in the existing realm. We need to compare what we might do in A-2 and A-3 versus A-4.
- Focus on changes to zoning for existing zones rather than upzoning; these strategies were not preferred as a priority.

A-5. Increase Allowed Housing Types in Existing and/or Proposed Zones (cottages; 2, 3, 4- plexes; townhouses; courtyard apartments, micro-housing)

- Would this be a circumstance where we could go into a much smaller minimum lot size and effectively get single-family detached in a much more dense usage? Is that appropriate here or more for residential zonings? (confirmed for residential zoning) Thinking about the competition for lots and the problem with condos in Washington. Trying to think of ways to achieve our goals while still feeding that notion of homeownership in single-family detached while changing what it looks like.
- 5.6 and 5.7 could be long term strategy after seeing how the other strategies work
- If you prohibit something (single-family), you still might not get what will be allowed (plexes, etc.)
- Until we put some in place and see how the market reacts, we won't really know.
- Need to offer creative opportunities to see who steps up to see how they change/choose to do business – many developers are building one housing type and developers who may build other housing types are not yet operating in this market.
- If we want to create homeownership opportunities in Missing Middle – we have to get radical in how we offer market choices
 - We need to offer small lots with min. lot sizes being small enough – for those that can buy the Missing Middle
- Go with as many agreeable ways as possible to add the “broccoli” – but don't take away cookies and force the broccoli just yet
 - Frame this as short and medium tiered strategies – Start with adding in more middle housing type uses (aka the broccoli) and see how it goes- then consider changes to limit tried and true single-family detached and townhouses in medium and high-density zones, respectively (aka the cookies)
- Also think about ways to manage transitions between existing single-family neighborhoods and new middle housing as we add in these new housing types

A-6. Offer Density and/or Height Incentives for Desired Unit Types

- Not discussed

A-7. Expand Residential Uses in Commercial Zones

- Only for affordable housing -maybe not all affordable

- Affordable housing developers lose competitive advantage if all market residential is allowed in commercial
- Consider larger-scale sites also and potential for site planning to incorporate residential: malls die and can be replaced with commercial/mixed use zoning
- Need to identify the outcomes we want – and measure it

D. Affordable Housing Incentives

D-1. Multifamily Tax Exemption

- Change needed: indicated target of 50-80% AMI implies that we are forgetting under 50%. Need to clarify to state either up to 50% or up to 80%.
- County can't implement – things take a while to change –need to show as advocacy- get it in there early and often – can't hang hat on this one for outcomes.
- This can be a big deal to getting multifamily built, so it is important.
- Need more info from County on current initiatives and how to build upon.

D-2. Density Bonuses for Affordable Housing

- What would the political support for these types of changes be?
- Past political support has depended on individual projects and density for each project, and has generally translated into a couple of extra units, but not dozens and dozens.
- Need to be more refined on these to know and understand if there are any political ramifications. More density and affordable housing can be a tough combo politically.
- Situation with R-43 – hard to develop current max density with parking requirements – need to give flexibility for how parking is developed – extra units that can help a project pencil out may not be feasible because of additional parking requirements that they trigger
 - Revising parking requirements may be more important than density, can think about density bonuses only after parking is addressed.
- Put it in Highway 99 and reduce parking where transit is available - can talk about getting a density number that we want.
- Create development scenario examples to show how it can work to convince all sides
 - If 43 max is achievable but we had to reduce parking – in transit corridor – we would have the opportunity to explain ourselves and see it clearly – via development scenarios
 - If we aren't able to paint a picture that makes sense to both sides of the equation, it will be more difficult
 - Come up with a couple project proposals – Ellwood Tour – how that took place and the land that was there and what they had to do
- In some cases, a parking reduction can give a higher density so I can put in more units without concern for parking – only can happen in the transit corridors – density only matters in context where parking is resolved

D-3. Alternative Development Standards for Affordable Housing

- 3-2 – Sierk did the pilot program for the code change in City of Vancouver to allow affordable housing in commercial zones
 - With affordable housing projects in commercial zones, you can put a book end on it – this allows for affordable housing on second- or third-rate commercial land that won't

- see development by commercial – as it is usually blocked in or off commercial nodes or off a main drag
- Not intended to compete for prime commercial land, where land prices are too high for affordable housing projects to be feasible
- By limiting residential uses to affordable housing, gives nonprofits an advantage. If multifamily were permitted more widely, they would have to bid against market-rate developers.
- Don't want to spot zone to R-43 because commercial doesn't have limit on number of units
- Affordable housing developers can negotiate units and parking – has fewer parameters like max density and is more flexible than R-43
- 3.3 Hwy 99 – project example from Victor
 - Senior Housing project was cancelled because of cost and requirements.
 - Requirement for number of entrances on ground floor and individual patios caused more expense and went against best practices for senior housing -caused the project to not be feasible
- Other design requirements on corner lots can make projects infeasible – nonprofit developers can't make it pencil

D-4. Fee Waivers for Affordable Housing

- This could be huge/have impact on affordable housing
- City has 80% impact fee reduction on parks and transportation fees – it helps, but it is not a huge number – would like to add fire, sewer/water fees- adding schools would be huge
 - School impact fee is used to fund capital facilities -depending on school district needs and based on population growth – numbers can be high – they are for the most part crucial for adding to school district budget for building buildings, and even then, only make up about 10% of capital costs.
 - Are there waivers for senior housing? Most likely
 - If a development is going to bring in students, the impact fees are critical to build for new schools -they don't go to the school district's general fund
 - There is no mechanism for how to waive those fees – for recent homeless development- we couldn't make it work
 - Is there a process with the school districts to request a waiver? Heidi to ask school capital facility plans' legal advisor.
 - We should look at how school impact fees could be waived/reduced depending on the development – whether it will generate students – older adult housing/homeless
 - Statewide legislation?
 - County Council and cities have some say
 - Add here as a new strategy D-4.3
 - Member of public: It would take a simple amendment to county code to reduce the fee – from county perspective it is just procedural – and could be made specific to older adults' residences
 - What about developments for people with developmental disabilities? They may have children, but much less frequently.

D-5. Other Ideas

- Need a staff person dedicated to affordable housing.
- Can we handle exemption to impact fees with our ratio of persons per dwelling?

Public Comment

- Two questions: 1) How do you measure the impact of different policy changes when you make a number of changes at once? 2) Do we have data from other jurisdictions that have made similar policy changes so we know what the impacts are? *Case studies of what other cities have done are posted on the project website. The County does do some analysis when preparing for population growth, but it may not get to the nuance of what the group is talking about now.*
- When speaking about working on a MFTE, it is critical to make sure that the legislature understands and writes the language so we look at income levels in Clark County and not the Portland metro.

Next Steps

The next PAG meeting is scheduled for July 27th where we will discuss a new set of strategies and we will do the same on August 24th. There will not be a meeting in September.

Adjourn

Jacqui adjourned the meeting at 5pm.

Additional PAG Comments

Several PAG members who were unable to attend the meeting provided comments via email.

PAG Member #1

A1 – I’m supportive of all of this. If I were prioritizing, I like the idea of increase density through PUD process (similar to cottage, but different) referenced in A-1.1. Next would be the decreased minimum lot size for duplexes (with this it would also be good to look at how we could streamline permitting and fees for conversions of single family to duplex). I’m not sure how critical a new zone would be – would the idea here to be create detached, zero-lot line housing where the units are detached? Not necessarily opposed to it, but not sure how it differs from what can already be done in the some of the multi-family zones. If we are requiring minimum density (A2) in those areas, then perhaps I understand the need for something new.

A2 – I support the concept and policy, but I would have questions about the practicality. If the site has environmental constraints that could make meeting a minimum density difficult. Even without environmental constraints, sometimes just the shape or access of the site can make it hard to squeeze in more lots. I’ve worked on land where we wanted to get more units in, but you just can’t get the “tetris pieces” of roads, stormwater, and min. lot width and depth to fit.

A3 – I would prefer upzoning in the right areas vs. removing maximums. I think that can achieve the same goals but with more control and planning.

A4 – Very supportive of this, particularly in the 179th St area. That area is so close to major infrastructure we should target higher density development on both sides of I-5, with apartments/condos near the interstate, phasing into townhomes or zero lot line detached. Transit planning should be a part of this. When on the council, I tried to involve C-Tran in the early planning, particularly with the idea of identifying land for a future transit station. Not sure if anything is happening with that now.

A5 – I would support a targeted roll out of this. Perhaps tied to access to transit? I do like A-5.5 and A-5.4. I think A-5.6 may be politically problematic. I understand the concept behind A-5.7. I think this should have more specifics, like situations or circumstances where it could be allowed. Perhaps if townhomes are a mix of the units built, but not the whole project.

A-6 – This would be a low priority. Perhaps this would be useful on the Highway 99 corridor, but I think the existing Highway 99 overlay already allows for this. This might also be useful in some areas along Fourth Plain on the East side of town, but overall, I don’t see this as having a major impact.

A-7. YES!!!!

D-1. I think the County should continue to pursue this, but perhaps with more an eye toward affordable units. I’d be curious to hear from CFTH what they would think about the 8-year requirement having a 10% affordable component. I think the main benefit of the MFTE is the development of more

market rate housing, which adds inventory which helps pricing long term, but if we could continue that policy effort and add some affordable units that may be a win-win.

D-4. I would be curious to look at how this might impact the long-term revenues for the capital facilities plan. The County already has some challenges there, so while I think this is a good policy idea, I would want to consider the possible unintentional consequences.

PAG Member #2

My advice is to recommend adoption of the following policy proposals, without delay:

A-1 (1-5)

A-3

A-4 (also, allow lower threshold for developer-initiated changes; must reduce timeline and certainty for comp plan/zone changes)

A – 5 (1 – 5); don't adopt A-5.6 and A-5.7 – if minimum densities are met, let the market decide whether family sized housing or 1-2 bedroom apartments are in higher demand in a particular location.

A -7

D – 1

D – 2

D – 3, also consider parking ratio flexibility for market rate housing; not an affordable only strategy

D – 4

Also, as mentioned above, make comp plan/zone changes easier, faster, more predictable. Revisit PUD ordinance to make it easier to work with for higher density, mixed-product developments, increase lot coverages throughout code, reduce roadway widths.

PAG Member #3

Especially likes:

- Allotment of middle housing
- Adding density to low density areas
- Converting bigger SFH into "plexes." That would allow golden agers to share a house without needing to downsize.